

## Message Text

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ACTION NEA-16

INFO OCT-01 EUR-25 ISO-00 M-02 A-01 OPR-02 SP-03 AID-20

EB-11 NSC-07 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08

OMB-01 CEA-02 L-03 H-03 PA-04 PRS-01 CIAE-00 COME-00

FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

NEAE-00 DRC-01 /174 W

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P 221210Z JUL 74

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC PRIORITY 0312

INFO USIA WAYHDC PRIORITY

SEC TREASURY WASHDC PRIORITY

AMCONSUL HAMBURG

UNCLAS KECTION 1 OF 2 KUWAIT 3086

TREASURY FOR ALAN WADE

EO 11652: NA

TAGS: OVIP (SIMON, WILLIAM)

SUBJ: SIMON/ATIQI DEPARTURE REMARKS

1. US TREASURY SECRETARY SIMON AND KUWAIT'S MINISTER OF FINANCE AND PETROLEUM ABDUL RAHMAN ATIQI HELD A JOINT PRESS CONFERENCE AT KUWAIT AIRPORT JULY 22 SHORTLY BEFORE MR SIMON'S DEPARTURE AT 0730 GMT. EACH DELIVERED A BRIEF STATEMENT, WHICH WAS FOLLOWED BY QUESTIONS FROM THE LOCAL AND FOREIGN PRESS.

2. SIMON'S STATEMENT: IT SEEMS I'VE JUST ARRIVED IN THIS COUNTRY FIVE MINUTES AGO, AND WE MUST NOW DEPART, SADLY, BECAUSE WE'VE HAD VERY FRANK AND WIDE-RANGING DISCUSSIONS ON A BROAD MENU OF ISSUES. IN THESE FRANK DISCUSSIONS IT'S IMPORTANT TO UNDERSTAND, BECAUSE SOMETIMES IT IS MISINTERPRETED: JUST BECAUSE WE DO, IN CERTAIN AREAS HAVE A DISAGREEMENT OR A DIFFERENCE OF OPINION ON SUBSTANCE, THAT DOESN'T MEAN THAT THIS DISAGREEMENT

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IN A PARTICULAR AREA IS DONE WITH ANY ACRIMONY WHATSOEVER.

IT'S DONE IN AN ATTEMPT TO HAVE A USEFUL DIALOGUE ON OUR OPINIONS AND ON OUR VERY STRONG INTERESTS IN THE AREAS THAT AFFECT EVERY COUNTRY IN THE WORLD. AND MORE IMPORTANTLY, I THINK IT'S IMPORTANT TO EMPHASIZE THE MANY AREAS WHERE WE DO HAVE COMPLETE AGREEMENT AND WHERE THERE ARE MANY AREAS WHERE WE CAN WORK TOGETHER WHICH WERE ALSO DISCUSSED.

3. OBVIOUSLY IN THE VERY BRIEF PERIOD OF TIME THAT I HAVE BEEN HERE IT IS IMPOSSIBLE TO ENTER INTO THE SUBSTANTIVE DIALOGUE THAT WE WILL IN THE FUTURE. I HAVE EXTENDED ON BEHALF OF THE PRESIDENT AN INVITATION TO HIS HIGHNESS TO VISIT OUR COUNTRY IN THE NEAR FUTURE, AND I WILL CERTAINLY HOPE THAT AT THAT TIME, OR BEFORE IF I RETURN TO THE MIDEAST, THAT WE CAN CONTINUE WITH THESE DISCUSSIONS. MR MINISTER.

4. MR ATIQI'S STATEMENT: DEFINITELY WE HERE IN KUWAIT ARE VERY HAPPY TO RECEIVE SECRETARY SIMON IN KUWAIT. AND WE ARE VERY GLAD FOR THIS OCCASION. SECRETARY SIMON IS THE FIRST SECRETARY OF FINANCE TO VISIT KUWAIT DURING THE LIFE OF RELATIONS BETWEEN KUWAIT AND THE UNITED STATES.

5. TO HAVE GOOD RELATIONS WITH A COUNTRY DOES NOT MEAN THAT THERE IS NO AREA IN WHICH WE DISAGREE. THERE ARE AREAS IN WHICH WE DO FULLY AGREE AND THERE ARE SOME AREAS IN WHICH WE DISAGREE. THIS IS A HEALTHY SITUATION. BY EXCHANGING POINTS OF VIEW WE CANCEL A LOT OF PROBLEMS, WHICH LEADS TO A BETTER UNDERSTANDING BETWEEN OUR TWO NATIONS AND WHICH MIGHT ALSO LEAD TO A BETTER UNDERSTANDING FOR US AND FOR OTHERS.

6. WE DO APPRECIATE THE ROLE THAT THE UNITED STATES IS PLAYING FOR THE PEACE IN THE WORLD, ESPECIALLY AT THE TIME OF PRESIDENT NIXON. WE WELCOME THIS VISIT, AS I SAY, TO EXCHANGE POINTS OF VIEW ON VARIOUS ASPECTS, AND I HOPE THAT THESE POINTS WHICH WE HAVE DISCUSSED WILL LEAD TO FRUITFUL BENEFITS IN THE FUTURE FOR OUR TWO COUNTRIES AND FOR THE REST OF THE WORLD.

7. PRESS QUESTIONS AND ANSWERS:

Q: (ABDULLA AL-COQ, RAI AL-AAM NEWSPAPER):

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MR SIMON, HAVE YOU SUGGESTED TO KUWAIT TO BUY AMERICAN BONDS WITH A VIEW TO INVEST SURPLUS OIL REVENUES?

A: ONE OF THE SUBJECTS THAT WE DISCUSSED YESTERDAY WAS THE POTENTIAL INVESTMENT AND THE OPPORTUNITIES THAT EXISTED IN THE PURCHASE OF US GOVERNMENT SECURITIES, AND WE DISCUSSED THIS AT SOME LENGTH. WE DID NOT MAKE A DEFINITIVE PROPOSAL, BUT RATHER EXPLAINED THE VARIOUS TYPES OF SECURITIES THAT COULD

BE PURCHASED WHICH PRESENT GREAT ADVANTAGES ON A DIRECT BASIS  
WITH THE UNITED STATES GOVERNMENT VERSUS GOING INTO THE MARKET-  
PLACE TO PURCHASE THESE SECURITIES.

Q: (WILLIAM SMALL, N.Y. TIMES STRINGER):

MR SECRETARY, THERE WAS AN ILLUSTRATIVE FIGURE ON THOSE SAME  
DISCUSSIONS WITH SAUDI ARABIA. DO YOU ALSO HAVE AN ILLUSTRATIVE  
FIGURE ON THESE DISCUSSIONS?

A: THE ILLUSTRATIVE DOLLAR NUMBERS THAT ARE USED ARE PURELY  
ILLUSTRATIVE, AND ACTUALLY WE MAKE NO RECOMMENDATIONS AS TO  
AMOUNTS. THE AMOUNTS ARE DETERMINED BY THE INVESTOR ALWAYS  
BECAUSE HE KNOWS WHAT HIS PRIORITIES ARE AND WHEN HE INDEED  
WILL NEED THE MONIES AND THEN, OF COURSE, MATURITIES CAN BE  
SET TO MEET THESE PRIORITIES. SO THIS WAS JUST EXPLAINED IN  
SOME DETAIL BECAUSE IT IS A COMPLEX ISSUE. THE VARIETIES OF  
ADVANTAGES IN THE SPECIAL ISSUE OF TREASURY SECURITIES THAT  
ARE NOT EXTANT IN THE MARKETPLACE IN PARTICULAR OFFER A PROTECTION  
TO A GOVERNMENT THAT DOES NOT EXIST IN THE OTHER AREA.

Q: (DAVID HOUSEGO, FINANCIAL TIMES):

CAN I ASK MINISTER ATIQUI WHETHER HE EXPRESSED TO YOU ANY INTEREST  
IN INVESTMENT IN UNITED STATES EQUITIES IN PARTICULAR COMPANIES.  
I AM SPEAKING OF SUBSTANTIAL EQUITY HOLDING AND WHETHER HE  
RAISED THE PROBLEMS THAT THIS MIGHT ENTAIL.

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NEAE-00 DRC-01 /174 W

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P 221210Z JUL 74

FM AMEMBASSY KUWAIT  
TO SECSTATE WASHDC PRIORITY 0313  
INFO USIA WASHDC PRIORITY  
SEC TREASURY WASHDC PRIORITY  
AMCONSUL HAMBURG

UNCLAS FINAL SECTION OF 2 KUWAIT 3086

TREASURY FOR ALAN WADE

A: MINISTER ATIQI:

ONE, WE DIDN'T RAISE POINTS IN DETAIL THE WAY YOU ARE ASKING. KUWAIT HAS ALREADY HAD ITS TRUSTEES TO INVEST IN THE UNITED STATES, NOT THAT IT IS NOT NEW. SINCE THE DAYS WE GOT MONEY MORE THAN FIFTEEN YEARS AGO WE HAVE HAD OUR TRUSTEES IN THE UNITED STATES TO INVEST FOR US IN VARIOUS ASPECTS: IN BONDS, IN EQUITIES, IN REAL ESTATE. WE HAVE STARTED VERY SMALL AND WE ARE GROWING UP GRADUALLY. WELL, WHEN THE TIME COMES THAT WE HAVE A REAL SUBSTANTIAL AMOUNT IN THE UNITED STATES, THEN WE MIGHT GO DEEPER INTO DISCUSSIONS ABOUT THIS. NOW WE ARE JUST DISCUSSING BROAD LINES.

SECRETARY SIMON:

AND LET ME ADD SOMETHING TO THAT, THAT IT IS NOT PROPER FOR THE SECRETARY OF THE TREASURY, OR INDEED ANY GOVERNMENT OFFICIAL  
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TO OFFER SPECIFIC EQUITY SECURITIES IN OUR MARKETPLACE. WHERE THE SUBJECT OF SECURITIES COMES UP, THE KUWAITIS ARE WELL AWARE OF THE OPPORTUNITIES IN THE AMERICAN CAPITAL AND EQUITY MARKETS. WE WILL RESPOND TO SPECIFIC QUESTIONS ABOUT THE TECHNICALITIES OF THE MARKETPLACE AND WHAT EXISTS, BUT AS FAR AS THE SECRETARY OF THE TREASURY OR ANY OFFICIALS OFFERING EQUITY SECURITIES, THAT WOULD BE HIGHLY IMPROPER.

MINISTER ATIQI:

ESPECIALLY IN A FREE MARKET LIKE UNITED STATES.

Q: (JOHN BERRY, TIME MAGAZINE):

MR MINISTER, DID YOU FIND AT ALL PERSUASIVE THE POINT I'M SURE THE SECRETARY MADE TO YOU, BECAUSE HE'S MADE IT ELSEWHERE, THAT IS IN THE INTERESTS OF THE OIL-PRODUCING COUNTRIES AS WELL AS THE OIL-CONSUMING COUNTRIES THAT THE PRICES OF OIL BE MADE LOWER THAN THEY ARE NOW?

A: WELL, THIS IS ONE OF THE AREAS WHICH NEITHER HIS EXCELLENCY

THE MINISTER CAN PERSUADE ME OR I CAN PERSUADE HIM. WE EXCHANGED POINTS OF VIEW ON IMPACT OF OIL PRICES ON THE WORLD, BUT NEITHER WAS HE ABLE TO PERSUADE ME NOR I TO CONVINCE HIM OF MY OWN FEELINGS. FOR THIS IS AN INTERNATIONAL PROBLEM, NOT ONLY ONE COUNTRY HAS TO SOLVE IT OR TO CARRY THE BURDEN OF SOLVING IT. INFLATION AND WHAT COMES OUT OF INFLATION IS AN INTERNATIONAL PROBLEM AND IT IS NOT FOR ONE COUNTRY TO SOLVE IT. I CAN'T EXPECT THAT, BUT WE HAVE EXCHANGED POINTS OF VIEW.

SECRETARY SIMON:

AND THAT IS THE IMPORTANT THING TO UNDERSTAND, THAT AS A COLLEAGUE, A FELLOW FINANCE MINISTER IN THIS GREAT UNION OF FINANCE MINISTERS, THERE ARE MANY AREAS WHERE WE CAN HAVE DIFFERENCES OF OPINION. IT'S DONE IN A FRIENDLY, FRANK, FORTH-RIGHT FASHION, AND WE WILL CONTINUE THESE DIALOGUES. THIS IS JUST THE FIRST DISCUSSION OF MANY IN THE FUTURE.

Q: (WILLIAM SMALL, N.Y. TIMES):

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MR SECRETARY, WE WERE TOLD LAST NIGHT THAT KUWAIT IS ANTICIPATING INVESTING IN RESEARCH IN NUCLEAR ENERGY IN PARTNERSHIP WITH DEVELOPED COUNTRIES SHORTLY. WAS THIS DISCUSSED IN ANY WAY DURING YOUR STAY HERE?

A: THE MINISTER AND I DID NOT DISCUSS ANYTHING SPECIFICALLY IN THAT AREA.

Q: (HAMAD SEDIQI, KUWAIT TIMES):

DO YOU THINK YOUR VISIT TO THE MIDDLE EAST COUNTRIES WAS A SUCCESS?

A: YES INDEED I CONSIDER IT A SUCCESS. I THINK THE MOST IMPORTANT THING BETWEEN PEOPLES IN THIS WORLD MUST BE COMMUNICATION. FRANK, OPEN DISCUSSION OF ALL THE ISSUES IN THIS WORLD THAT HAS SHRUNK TO SUCH A DEGREE THAT WE ALL RECOGNIZE THE IMPORTANCE AND THE INTERDEPENDENCE OF COUNTRIES UPON EACH OTHER. AND THE CONSTANT COMMUNICATION AND DIALOGUE OF ALL THE PROBLEMS THAT AFFECT EACH ONE OF US MUST CONTINUALLY BE DISCUSSED IN A VERY OPEN FASHION. SO, IN THIS REGARD, THIS MY FIRST VISIT TO THE MIDDLE EAST, WE HAVE ACCOMPLISHED THIS TO MY TOTAL SATISFACTION AND I LOOK FORWARD TO RETURNING IN THE VERY NEAR FUTURE TO HAVE FURTHER DISCUSSIONS AND BE ABLE TO STAY FOR A LONGER PERIOD OF TIME.  
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